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State seeks review of Promise Scholarship ruling

The Washington Attorney General petitioned the 9th U.S. Circuit Court of Appeals on July 31 to review a decision by a three-judge 9th Circuit panel that would require the state to award a Promise Scholarship to a student majoring in pastoral ministries.

The Higher Education Coordinating Board, which administers the Promise Scholarship program, endorsed the Attorney General's petition.

"We were surprised that a three-judge panel of the 9th Circuit reversed an earlier decision," said Marc Gaspard, executive director of the Board. "Because of the potential effect of this ruling on other financial aid programs and issues surrounding our state constitution, we believe the Attorney General's course of action at this time is appropriate."

The issue in the case is whether a state law barring financial aid to students who pursue degrees in theology violates the First Amendment of the U.S. Constitution, which guarantees the free exercise of religion. The state contends that the U.S. Constitution does not require it to provide public money to enable citizens to exercise constitutional rights.



Higher Education
Coordinating Board

HECBFinancialAid@hecb.wa.gov

<http://www.hecb.wa.gov>

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A provision in the state constitution prohibits the use of public money for any “religious worship, exercise or instruction.”

But in a 2-1 decision announced July 18, a three-judge panel of the 9th Circuit ruled that the rights of a student majoring in business and pastoral ministries were violated because state financial aid was not offered to him. The case is *Joshua Davey v. Gary Locke*.

The full 9th Circuit may take several weeks to decide whether to review the decision.

Aid administrators should note that the Board’s financial aid regulations and guidelines remain unchanged while the case is under appeal. The Board will keep aid administrators informed about the status of the appeal.

Guaranteed Education Tuition costs go up

Washington’s pre-paid tuition program, and others across the nation, respond to rising tuition and slumping markets

Faced with steep tuition increases and a declining stock market, Guaranteed Education Tuition (GET) — the state’s pre-paid college tuition savings program — raised its purchase price by nearly 24 percent at its July 30 meeting. The cost of a unit of tuition — currently \$42 — rises to \$52 on Sept. 1.

The hike is necessary to help the program keep pace with the 12 to 16 percent increases in state tuition authorized by the 2002 Legislature. It also cushions the program’s assets that have been hit hard by the stock market’s recent decline.

The program nearly doubled the number of account holders this year — to a total of over 24,000 — with the bulk of new enrollments coming during May.

In setting the new price, GET committee members did not follow a consultant’s recommendation of \$56, despite predictions that a lower price has some potential to lead the program into a long-term deficit. Committee members approved the \$52 price to encourage more people to join. The committee decision also assumes that current financial difficulties are temporary:

GET program in the news

Several news organizations in the state reported on the GET program’s recent price increase:

The News Tribune
(Tacoma):

[Prepaid tuition plan in a pinch](#)

The Seattle Times:

[Cost of state's pre-paid tuition program goes up](#)

The Spokesman-Review
(Spokane):

[Prepaid tuition to cost more](#)

Yakima Herald-Republic:

[State's prepaid tuition program a bargain despite increases](#)

Return on the program's investments will rise and tuition increases will stabilize in time to preserve the long-term solvency of the program.

GET is not alone in its current financial circumstances. The Associated Press (AP) reports that several pre-paid tuition programs across the nation face similar difficulties. (The AP article is not available for redistribution.)

Washington enrollments climb as budgets hit hard times

A long-expected enrollment boom is now hitting Washington colleges and universities, just as the state has reduced support for higher education by \$65 million.

Four years ago, the 2020 Commission on the Future of Post-Secondary Education warned of an enrollment surge as the state's population and demand for higher education grew. In its 2000 Master Plan, the Higher Education Coordinating Board forecast 70,000 additional FTEs in the state's public colleges and universities by 2010.

What no one anticipated was the current economic downturn, exacerbated by the Sept. 11 attacks. The downturn sent stocks into a dive, affected state revenue streams, and — because of tight job markets — inspired even more people to pursue higher education.

In the short term, 12 to 16 percent tuition increases are helping to shore up eroding revenues. A number of campuses report meeting growing demand by increasing class sizes. And some, like Central Washington University (CWU), have actually begun turning away students.

A report in the July 27 *Yakima Herald-Republic* highlights challenges faced at CWU and Yakima Valley Community College: [Colleges, universities facing more students, tighter budgets](#). And a July 30 *Seattle Times* editorial, available online, warns against further erosion of state support for higher education: [Higher ed crunch arrives, right on time](#).

Higher tuition, reduced state support the rule across the U.S. Families face increased educational costs in an anemic economy

Things are tough all over, according to an Aug. 8 *USA Today* report. Public colleges and universities in nearly every state face the same formula for hardship that institutions are encountering here in Washington. Lawmakers are reducing state support for higher education and authorizing significant tuition increases to meet the new gaps in funding.

Yet institutions are still struggling because bulging enrollments have stretched resources beyond capacity, and tuition increases alone aren't enough to meet growing needs. And the pressure may get worse before it gets better: The federal

government projects that by 2011 enrollments in U.S. two- and four-year colleges will grow by 2 million or more.

As in past recessions, campuses are also coping by freezing salaries, delaying capital projects, and offering early retirements. Some are also talking about cutting faculty positions and programs.

Pat Callan, president of the National Center for Public Policy and Higher Education, notes a painful irony in university budgeting: Historically, the steepest tuition increases have occurred during recessions, when family incomes are stagnant or declining and unemployment is up.

"States are hurting for money," said Callan. "But students and families are, too."

Faculty discussions on the subject got so depressing for Iowa professor Wilfrid Nixon that he organized a Budget-Cut Bake Sale to boost morale. Nixon's sale raised \$820, which was added to the scholarship fund for students— "the people getting squeezed most in all of this," Nixon said.

The article is available online: [Public universities raise tuition, fees — and ire.](#)

Pell Grant Program may be short another \$1.2 billion

Less than two weeks after President Bush and Congress agreed to a \$1 billion bailout of the Pell Grant Program, college lobbyists and congressional aides have uncovered what they believe is another \$1.2 billion shortfall in the program's budget for the 2002 fiscal year.

Spokespersons for the U.S. Department of Education and the White House Office of Management and Budget were unable to confirm the shortfall last week.

Some college lobbyists said they would continue to push for a \$100 increase to the current \$4,000 Pell maximum, despite the possibility of another shortfall. Fixing another shortfall would not give students "one extra dollar in their pocket," said Cynthia Littlefield, lead lobbyist for the Association of Jesuit Colleges.

The Chronicle of Higher Education reports on the potential new shortfall in an article available online to subscribers: [Pell Grant Program may still be \\$1-billion short, education lobbyists say.](#)

Proposed federal rules would eliminate GEAR UP aid packaging requirements

The U.S. Department of Education unveiled new proposed rules on Aug. 8 that eliminate packaging requirements for GEAR UP scholarships. The original rules prevented institutions from considering GEAR UP scholarships in determining a student's eligibility for institutional financial aid.

The Department's decision to eliminate the rules comes after almost three years of controversy between college lobbyists and some advocates of the GEAR UP program.

You can download the proposed rules at the [Federal Register](#) Web site. *Chronicle* subscribers can also find a summary of the rules changes online: [Education Department plans to ease rules on recruiters' pay and GEAR UP funds](#).

Packaging policies for the Washington State GEAR UP scholarship at this time remain unchanged. Board staff will notify aid administrators if and when proposed changes in the federal rules impact the packaging of state-funded GEAR UP awards.

New studies show that financial barriers continue to impact access, choice

Two new studies claim that, in spite of decades of federal and state expenditures on student aid, low-income students continue to experience reduced access to higher education and narrower choices of institutions to attend.

In June, the national Advisory Committee on Student Financial Assistance released "[Empty Promises: The Myth of College Access in America](#)." The study — which builds on the findings of last year's committee report, "[Access Denied](#)" — finds that, among other things, unmet need and borrowing prevent 48 percent of college-qualified low-income high school graduates from attending a four-year college, and 22 percent from attending any college at all, within two years of graduation.

In its August report, "[The Policy of Choice: Expanding Student Options in Higher Education](#)," the Institute for Higher Education Policy concludes that the financial barriers constrain the choices of certain groups of students. For instance, low-income and non-traditional (because of age, dependency status, etc.) students are less likely to enroll in four-year public or private institutions than their higher-income, traditional counterparts.

The reports are available online by clicking on the titles above.